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May 17, 2004

Honorable Thomas M. Dorman
Executive Director
211 Sower Boulevard
Frankfort, KY 40602-0615

Re: Atmos Energy Corporation
Case No. 2002-00128

Dear Mr. Dorman:

Pursuant to the Order of the Commonwealth of Kentucky dated May 20, 2002 in the above referenced docket, enclosed is the report of action for Atmos Energy Corporation for the period ending March 31, 2004.

If you have any questions or require further information, please do not hesitate to contact me at (972) 855-9755. Thank you for your assistance.

Sincerely,


Stephanie Castle
Assistant Treasurer

Enclosures

cc: Gary Smith

**COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION**

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Application of Atmos Energy Corporation (Atmos), through its division, Western Kentucky Gas Company of Owensboro, Kentucky, for an order authorizing the creation and issuance of up to 2,500,000 shares of common stock through its 1998 Long-Term Incentive Plan

Case No. 2002-00128

**REPORT OF ACTION
Prepared May 17, 2004**

1. Reference is made to the order entered into on May 20, 2002 that Atmos Energy Corporation ("Atmos"), through its division, Western Kentucky Gas Company ("Western") reports that the Company is authorized to create and issue up to 2,500,000 shares of common stock through its 1998 Long-Term Incentive Plan.
2. For the period January 1, 2004 through March 31, 2004, the Petitioner reports that there were options granted but no shares exercised under the 1998 Long-Term Incentive Plan with no increase in capital stock. The aggregate number of shares authorized but not issued under Case No. 2002-00128 remained at 2,500,000 as of March 31, 2004.

Atmos Energy Corporation


Stephanie Castle
Assistance Treasurer